

ASX Release

8<sup>th</sup> March 2017

## Dr Richard Mollard appointed as Chief Scientific Officer of PharmAust

PharmAust Limited (“PharmAust”) (ASX: PAA) is pleased to advise that Dr Richard Mollard has been appointed to the role of Chief Scientific Officer. The appointment will take effect from 13<sup>th</sup> March 2017.

Dr Mollard is an experienced pharmaceutical executive with over 15 years in lead scientific roles mainly consulting for companies within the Australian and International Biotechnology sectors. Dr Mollard received his Doctor of Philosophy (PhD) in 1996 in the field of Respiratory Molecular Biology and Developmental Genetics at the Faculty of Medicine, Monash University, Melbourne. He has also received a Master of Business Administration from the Melbourne Business School as well as an MBA Accreditation from the University of St Gallen’s Graduate School of Business, Economics, Law and Social Sciences, Switzerland.

For the past 24 months Dr Mollard has been a consultant to PharmAust, where he has played a key role in the preparation, design and submission of regulatory and clinical documents for PharmAust’s human and canine trials. He will now take charge of the clinical and scientific development of monepantel (MPL) at PharmAust and work closely with the newly appointed CEO, Dr Richard Hopkins. In particular Dr Mollard will be preparing for PharmAust’s planned Phase II human trial using MPL.

PharmAust Chairman Dr Roger Aston said: “Richard is a biotech executive with strong business operations and commercial experience in the field of early-stage cancer drug development. I look forward to Richard playing a key role in the next stages of PharmAust’s development and working closely with our newly appointed CEO Dr Richard Hopkins”.

Commenting on his appointment, Dr Mollard said: “I am delighted to accept the position of Chief Scientific Officer with PharmAust. I look forward to working with the Board and the CEO Richard Hopkins to further develop monepantel for cancer treatments in humans and canines and realise every success for the company and its shareholders”.

The material terms of the employment agreement with Dr Mollard including the issue of incentive securities are set out below.

**For further details please contact:**

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<b>Material terms of employment agreement with Dr Richard Mollard</b>	
Appointment	As Chief Scientific Officer of PharmAust Limited (but not serving on the board of Directors).
Commencement and Term	The appointment of the CSO commences on 13 <sup>th</sup> March 2017 is subject to a 3 month Probation Period and otherwise continues until terminated in accordance with the agreement.
Base Salary	\$182,650 p.a. (plus statutory superannuation)
Incentive Securities	Options and Performance Rights as set out below upon the Executive's successful conclusion of the 3 month Probation Period.
Termination	During the Probation Period, either party may terminate the agreement on 30 days written notice without cause and thereafter either party may terminate the agreement on 6 months written notice without cause. The Company may terminate the agreement without notice upon limited events akin to misconduct or incapacity.
Review	The remuneration of the Executive shall be reviewed on the earlier of the effective filing of the Form F-1 Registration Statement with the United States Securities and Exchange Commission and 12 months from the commencement date. Thereafter, the remuneration shall be reviewed every 12 months from the initial review or as otherwise agreed between the parties.

### Option Terms

The Options will be issued on one date but in 3 tranches as follows. The Options vest and are only capable of exercise upon the Executive being engaged as an employee for a continuous period of 12 months from the Commencement Date.

Tranche	Number of Options	Exercise Price	Expiry Date
1	1,875,000	7.5 cents	31 March 2020
2	3,750,000	15 cents	31 March 2020
3	4,500,000	23 cents	31 March 2020
<b>Total</b>	<b>10,125,000</b>		

Other than as set out above, the Options and Performance Rights will be on standard terms.

The Performance Rights to be issued under this Agreement will be issued in 3 milestone based classes as follows:

Number of Performance Rights	Class of Performance Rights	Performance Condition
625,000	Class A Performance Rights	(a) The Executive is engaged as an employee for a continuous period of 12 months from the Commencement Date; <u>and</u>  (b) prior to 31 March 2018, the successful completion of a phase II trial in canines of monepantel either alone or in combination with other drugs either in Australia or in the United Kingdom with success being defined as empirical verifiable evidence of tumour regression or progression-free survival in 50% or more of canine patients formally recruited into that trial.
1,250,000	Class B Performance Rights	(a) The Executive is engaged as an employee for a continuous period of 12 months from the Commencement Date; <u>and</u>  (b) prior to 31 December 2018, the formal commencement of a phase II trial in humans of monepantel either alone or in combination with other drugs either at one or more approved centres in the United States or United Kingdom following commencement of all formal approvals from relevant regulators and entities and the recruitment of the first patient.
1,500,000	Class C Performance Rights	(a) The Executive is engaged as an employee for a continuous period of 12 months from the Commencement Date; <u>and</u>  (b) prior to 31 December 2018, the formal exercise by Novartis Animal Health of the Collaborative Research and Option Agreement with the Company.